



February 15, 2012

Mr. Dale Lillard
Director of Park and Recreation
City of Alameda
2226 Santa Clara Ave.
Alameda, Ca. 94501

Dear Dale,

The following is the financial summary and key highlights for the month of January 2012 at the Chuck Corica Golf Complex:

| January 2012 | Actual | 2010 Actual | Variance | YTD | 2010 Actual | Variance |
|-------------------|-----------|-------------|----------|-----------|-------------|----------|
| Total Revenue | \$239,572 | \$217,850 | \$21,722 | \$239,572 | \$217,850 | \$21,722 |
| Merch. COGS | \$10,850 | \$9,609 | \$1,241 | \$10,850 | \$9,609 | \$1,241 |
| Gross Margin | \$228,722 | \$208,241 | \$20,481 | \$228,722 | \$208,241 | \$20,481 |
| Payroll Expense | \$116,472 | \$105,128 | \$11,344 | \$116,472 | \$105,128 | \$11,344 |
| Other Expense | \$53,649 | \$53,456 | \$193 | \$53,649 | \$53,456 | \$193 |
| NOI | \$58,601 | \$49,657 | \$8,944 | \$58,601 | \$49,657 | \$8,944 |
| | | | | | | |
| Rounds | 7,756 | 6,689 | 1,067 | 7,756 | 6,689 | 1,067 |
| Average GF/CF | \$25 | \$26 | \$1 | \$25 | \$26 | \$1 |
| | | | | | | |
| Management Fee | \$10,927 | \$10,609 | \$318 | \$10,927 | \$10,609 | \$318 |
| Net Cash From Ops | \$47,674 | \$39,048 | \$8,626 | \$47,674 | \$39,048 | \$8,626 |

Overview:

The nice weather from December rolled right into January and we experienced only 4 days of rain that really impacted only 2 days in all. There were also a few days with frost, but the longest delay was 2 hours. The total revenue for the month was \$22K ahead of prior year and the NOI for the month was \$9K better than prior year. Overall both courses are in great shape; Matt and his crew have worked very hard to keep the courses in playable shape through this unusual dry spell. The re-claim feed from EBMUD has now been turned back on for much needed irrigation. We are receiving great feedback from the local players on the conditions of the greens as well as the patch work being done to eliminate the embedded kikuyu grasses on the south course. With the dry weather pattern heading into February, we anticipate another positive month adding to our rounds and revenue growth.

*Northwest Regional Office
2054 Mandelay Place. San Jose, CA 95138
(415)722-3580*



Key Performance Highlights:

➤ Golf Course Maintenance

Operations

- Sod was delivered towards the end of the month to patch the kikuyu and bare spots on the South greens. We also plan to patch a hydraulic leak on #10 South, as well as a few worn areas on the North. The worst green, South #3, will be shut down for a day to patch several affected areas. A temporary green will be in play for that day.
- With the range being closed for 2 days, we once again attacked the middle portion cutting away excess material that the wind and the picking unit have ripped up over time. We also removed several old hitting mats that were placed there years ago in an attempt to help with the wet area.
- During the last major storm we lost 2 eucalyptus trees. The trees were not in a playable area and were removed in house.
- With the dry weather pattern, we were forced to turn the irrigation back on. The North pump motor eventually went down and had to be replaced. Both the motor and the pressure pump were replaced and are now working great.
- We have been working hard clearing drains and mowing problem areas in preparation for upcoming storms. The storm that came through during the middle of January brought almost an inch of rain and due to our preparation we were able to allow carts off the path the next day.

➤ General

- Green fee revenue exceeded prior year by 9%, we beat 2011 in cart revenue as well.
- The driving range was closed for 2 days this month in order to repair lights, which included 15 bulbs and ballasts. Despite the closure, range revenue for the month finished 1% better than 2011.
- The geese continue to cause problems. We have modified the dog patrol schedule to see if that makes an impact.
- Mike sent out his Tournament direct mail piece to groups that have not booked yet for 2012. We received a few contracts back and have booked over \$45K in future events in the month of January. Mike recently received feedback that Tournaments will not play here because there is no room for a banquet after play.
- We have reached out to several businesses to offer merchandise services for either uniforms or staff outings. Recently, a hotel purchased 30 dozen logoed golf balls for their marketing department.
- With the nice weather we sold 90 monthly passes and 12 annual passes generating \$31K in pass sales for the month.
- We are gearing up for our player development classes to begin next month. Along with Get Golf Ready, we will also roll out our teaching program for the year. We will continue to work closely with the Junior Golf Committee running events as well as teaching clinics.
- Merchandise sales for the month were 17% over prior year with almost \$15K in total merchandise revenue. The increase is a result of various promotions we ran in the shop as well as e-blasts and bounce back promotions.

Key property action steps by management to drive performance:

- We continue to grow Tournament rounds year over year. In January, tournament rounds were 17% over prior year for an additional 225 rounds.
- GolfNow generated an additional \$21K during the month January. We continue to manage our average rate with GolfNow, and in January the average rate was \$2.53/round higher than last year.



KemperSports

- Current Promotions- Valid Monday through Friday.
 - Early Twilight Lunch Special-
 - \$35 per player after 11:00am, which includes green fee and cart fee.
 - Late Twilight Special-
 - \$25 per player after 1:00pm, which includes green fee and cart fee.
 - \$15 per player after 3:00pm.
 - \$100 Foursomes on Tuesday's
 - Includes green fee and power cart valid Tuesday's on the Jack Clark Course.
 - Wacky Wednesday for Senior's - \$30 per player, which includes cart. Must be 60 years or older.
 - Super Bowl Sunday - Includes green fee and power cart
 - \$37 after 11:30 am
 - \$27 after 1:00 pm
 - \$20 after 3:00 pm

Weather for the month:

- Rainfall Totals: 2.17"
- Highest Temperature: 70°
- Lowest Temperature: 28°
- Average Temperature: 49°

Please call me if you have any questions.

Sincerely,

Steve Argo
Regional Operating Executive
KemperSports
Cc: Jim Stegall, Mark Hoelsing

Northwest Regional Office
2054 Mandelay Place, San Jose, CA 95138
(415) 722-3580

Chuck Corica Golf Complex
Income Statement
As of January, 2012 - Unaudited

| | | <u>Rain Days</u> 4 | | <u>Rain Days</u> 14 |
|---|----------------------|-------------------------------|------------------|-------------------------------|
| | <u>January, 2012</u> | <u>Rounds & Carts</u> | <u>YTD</u> | <u>Rounds & Carts</u> |
| <u>Revenues</u> | | | | |
| <u>Golf Operations</u> | | | | |
| 37290 Par 3 golf fees | 5,324 | 845 | 52,146 | 8,155 |
| 37301 Regular golf fee -- Fry | 83,635 | 4,162 | 753,508 | 37,769 |
| 37302 Regular golf fee -- Clark | 57,724 | 2,749 | 531,813 | 26,910 |
| 37310 Driving range fees | 31,229 | | 204,828 | |
| 37311 Monthly passes | 30,980 | | 133,065 | |
| 37410 Concessions -- restaurant | 6,368 | | 40,835 | |
| 37411 Golfer meal package | 10 | | 3,765 | |
| 37420 Golf shop sales | 14,947 | | 169,873 | |
| 37530 Golf lessons | 5,230 | | 78,431 | |
| 37540 Golf carts rental | 34,836 | 3,433 | 356,390 | 33,738 |
| 37561 Use of Gift Certificate | 8,847 | | 13,359 | |
| Other | 406 | | 4,641 | |
| | <u>Subtotal</u> | | <u>2,342,654</u> | |
| | 279,536 | | | |
| <u>Other</u> | | | | |
| 35101 Interest allocation (net of bank serv chrg) | 3,884 | | 2,839 | |
| 35300 Rental income | 2,950 | | 20,551 | |
| 36990 Other contrib/donation | 0 | | 375 | |
| Transfer from other funds | 0 | | 0 | |
| | <u>Subtotal</u> | | <u>23,765</u> | |
| | 6,834 | | | |
| Total | 286,370 | | 2,366,419 | |
| <u>Expenditures</u> | | | | |
| <u>Golf Operations</u> | | | | |
| Wages & benefits | 15,467 | | 35,051 | |
| Supplies | 0 | | 35 | |
| Services: | | | | |
| Kemper - | | | | |
| Golf Mgmt Fees | 30,412 | | 92,370 | |
| Personnel | 77,299 | | 638,955 | |
| Service & Supplies | 77,224 | | 754,473 | |
| Capital Expenses | 0 | | 65,788 | |
| North Loop Road Appraisals | 4,500 | | 21,500 | |
| Other City Expenses | 1,055 | | 28,627 | |
| Parks Repair Work | 4,250 | | 20,650 | |
| Interest expense | 5,861 | | 27,963 | |
| Fixed asset depreciation | 0 | | 0 | |
| | <u>Subtotal</u> | | <u>1,685,412</u> | |
| | 216,068 | | | |
| Net income (loss) | | | | |
| after expenses of golf operations: | 70,302 | | 681,007 | |
| <u>Payments to City of Alameda</u> | | | | |
| Fixed charges | 15,103 | | 105,721 | |
| Transfers to other funds | 11,902 | | 83,314 | |
| Payment in lieu of taxes | 8,426 | | 58,982 | |
| Payment for surcharge collect | 0 | | 64,321 | |
| | <u>Subtotal</u> | | <u>312,338</u> | |
| | 35,431 | | | |
| Net income (loss) | | | | |
| after expenses & payment to City: | 34,871 | | 368,669 | |
| Principal repayment on Equipment Leases: | 1,639 | | 137,107 | |

Prepared by: Sophie Young - Finance Department

Reviewed by:

Frank Marshall
 Controller

Chuck Corica Golf Complex
Comparison of Actual Results to Budget
As of January, 2012 - Unaudited

| | FY 11-12 Budget | FY 11-12 58% of Elapsed Budget | FY 11-12 Actual YTD | Prior year Budget | Prior Year Actual YTD "Unaudited" |
|---|--------------------|---|------------------------|----------------------|---|
| <u>Revenues</u> | | | | | |
| <u>Golf Operations</u> | | | | | |
| 37290 Par 3 golf fees | \$ 55,000 | \$ 27,500 | \$ 52,146 | \$ 55,000 | \$ 50,532 |
| 37301 Regular golf fee -- Fry | 1,074,050 | 537,025 | 753,508 | 1,313,000 | 698,545 |
| 37302 Regular golf fee -- Clark | 750,000 | 375,000 | 531,813 | 918,000 | 495,033 |
| 37310 Driving range fees | 350,000 | 175,000 | 204,828 | 350,000 | 182,040 |
| 37311 Monthly passes | 300,000 | 150,000 | 133,065 | 300,000 | 186,555 |
| 37410 Concessions -- restaurant | 100,000 | 50,000 | 40,835 | 100,000 | 39,102 |
| 37411 Golfer meal package | 0 | 0 | 3,765 | 0 | 886 |
| 37420 Golf shop sales | 350,000 | 175,000 | 169,873 | 352,800 | 152,998 |
| 37530 Golf lessons | 114,000 | 57,000 | 78,431 | 114,000 | 58,129 |
| 37540 Golf carts rental | 476,000 | 238,000 | 356,390 | 476,000 | 276,210 |
| 37561 Use of Gift Certificate | 0 | 0 | 13,359 | 0 | 0 |
| Other | 26,950 | 13,475 | 4,641 | 26,950 | 21,927 |
| Subtotal | 3,596,000 | 1,798,000 | 2,342,654 | 4,005,750 | 2,161,957 |
| <u>Other</u> | | | | | |
| 35101 Interest allocation (net of bank serv chrg) | 6,000 | 3,000 | 2,839 | 6,000 | (4,432) |
| 35300 Rental income | 40,000 | 20,000 | 20,551 | 40,000 | 28,952 |
| 36990 Other contrib/donation | 0 | 0 | 375 | 0 | 285 |
| Transfer from other funds | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 46,000 | 23,000 | 23,765 | 46,000 | 24,805 |
| Total | 3,642,000 | 1,821,000 | 2,366,419 | 4,051,750 | 2,186,762 |
| <u>Expenditures</u> | | | | | |
| <u>Golf Operations</u> | | | | | |
| Wages & benefits | 39,815 | 19,908 | 35,051 | 42,220 | 24,729 |
| Supplies | 0 | 0 | 35 | 0 | 5,114 |
| Services (Detail on Income Stmt) | 2,630,455 | 1,315,228 | 1,622,363 | 2,629,270 | 1,754,593 |
| Interest expense | 23,460 | 11,730 | 27,963 | 23,460 | 8,017 |
| Fixed asset depreciation | 0 | 0 | 0 | 222,225 | 129,633 |
| Subtotal | 2,693,730 | 1,346,866 | 1,685,412 | 2,917,175 | 1,922,086 |
| Net income (loss) | | | | | |
| after expenses of golf operations: | 948,270 | 474,134 | 681,007 | 1,134,575 | 264,676 |
| <u>Capital expenditures</u> | | | | | |
| Capital outlay & capital improvement | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 |
| Net income (loss) | | | | | |
| after operations & capital expenses: | 948,270 | 474,134 | 681,007 | 1,134,575 | 264,676 |
| <u>Payments to City of Alameda</u> | | | | | |
| Fixed charges | 319,640 | 159,820 | 105,721 | 319,640 | 186,459 |
| Transfers to other funds | 157,830 | 78,915 | 83,314 | 159,130 | 84,077 |
| Payment in lieu of taxes | 202,220 | 101,110 | 58,982 | 202,220 | 117,964 |
| Return on Investment | 0 | 0 | 0 | 0 | - |
| Payment for surcharge collect | 171,960 | 85,980 | 64,321 | 171,960 | 58,562 |
| Subtotal | 851,650 | 425,825 | 312,338 | 852,950 | 447,062 |
| Net income (loss) | | | | | |
| after expenses & payment to City: | \$ 96,620 | \$ 48,309 | \$ 368,669 | \$ 281,625 | \$ (182,386) |
| Principal repayment on Equipment Leases: | | | | | |
| | \$ 128,660 | \$ 64,330 | \$ 137,107 | \$ 128,660 | \$ 80,719 |

Prepared by: Sophie Young - Finance Department

Reviewed by: Fred Mann
Controller

**Chuck Corica Golf Complex
Cash Flow Statement
As of January, 2012 - Unaudited**

| | <u>January, 2012</u> | <u>FY 11-12 YTD</u> |
|--|----------------------|---------------------------|
| <u>Sources of cash</u> | | |
| Net income (loss) from golf operations | \$70,302 | \$681,007 |
| Reversal of investment's market value adjustment | - | - |
| Plus: Depreciation Expense (non cash) | - | - |
| (Increase)/Decrease in accounts receivable | - | 15,796 |
| (Increase)/Decrease in inventory | - | - |
| Increase/(Decrease) in accounts payable | (4,367) | (7,883) |
| Total sources of cash | <u>65,935</u> | <u>688,920</u> |
| <u>Uses of cash</u> | | |
| Net capital expenditures | - | - |
| Minus: Acquisition of Capital Assets (non cash) | - | - |
| Total uses of cash | <u>-</u> | <u>-</u> |
| Net cash provided by operations | 65,935 | 688,920 |
| Minus: Payments to City of Alameda | 35,431 | 312,338 |
| Plus: Deferred Revenue | - | - |
| Minus: Principal on capital debts | <u>1,639</u> | <u>137,107</u> |
| Net increase/(decrease) in cash | 28,865 | 239,475 |
| Beginning cash balance as of July 1, 2011 | | <u>774,973</u> |
| Ending cash balance as of January 31, 2012 | | <u><u>\$1,014,448</u></u> |
| Available fund balance as of January , 2012 | | |
| | | 1,058,919 |
| Minus : Reserve for MIF Albright Course Improvement | | <u>(100,000)</u> |
| Net available fund balance as of January, 2012 | | <u><u>958,919</u></u> |

*Available balance is an UNAUDITED balance as of the end of the month that does not reflect audit adjustments and encumbrances.

Prepared by: Sophie Young - Finance Department

Reviewed by: Fred Mann
Controller